



THE WHITE HOUSE
WASHINGTON

MAY 22 1973



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CIA DIRECTOR - WILLIAM E. COLBY ✓

FROM:

PETER M. FLANIGAN 

Subject:

A Proposal for the Improved Handling
of U.S. Private Sector International
Economic Grievances

The attached proposal is circulated for your consideration and comment by close of business June 8, 1973.

An effort to identify both conceptual and practical implementation problems together with suggested solutions would be appreciated.

Attachment

A Proposal for the Improved Handling of U.S. Private
Sector International Economic Grievances

The proposal is that there be created a computerized center at which all private sector grievances relating to economic policies of foreign countries be collected and systematically evaluated as a guide to action. The need for a single point of contact in the Executive Branch to which citizens can bring their complaints about the practices of foreign governments in the economic area was recently emphasized by some members of the Ways and Means Committee during hearings on the trade bill. This underscores the usefulness of a new look at this matter.

At present almost all CIEP agencies receive information on a catch as catch can basis. State endeavors to keep track of problems in individual countries but lacks many inputs. Many complaints taken to Commerce or Treasury or STR or Labor or the FMC or Agriculture or Interior are not known to State - or only partially known. After August 15, 1971 an effort was made by the various agencies to list "irritants" in our economic relations with some countries. When the lists were put together there were wide discrepancies both in coverage and even more important in agency evaluations of the significance of the problems.

We have been discussing with Commerce and OMB the possibilities of creating a "Business Grievances Office." Secretary Dent has tentatively concluded that his present "Ombudsman" and the Bureau of International Commerce can adequately handle the problem of receiving and reporting business complaints. In any case the concept I have in mind is one of centralizing data, evaluation, and action on all private sector grievances involving foreign countries whether the complaints relate to trade, investment, tax, or problems affecting U.S. delivery of services such as shipping, banking, contracting, insuring, etc.

Known complaints could be computerized. Thus country printouts would be readily available for analysis in Washington and for action either on a regular basis by our embassies or for use at the time of visits by Washington officials.

The collection of material would not be enough. Careful evaluation and correlation including an assessment of the facts covering the country action being complained about and an evaluation of relevant international agreements - bilateral and multilateral - would be essential. Following a systematic collection and evaluation effort an action plan to address private sector economic problems with the country in question across-the-board would be in order. As it now is our embassies and the various agencies tend to put oil on squeaky wheels without any systematic effort to sort the wheat from the chaff.

If such a computerized complaint center were established all agencies should be directed to provide material to it upon receipt of any or all complaints. The creation of the center and the interest of the government in providing support for legitimate private sector activity overseas should be well publicized.

In my view this concept is compatible with the integrated approach to international economic problems that the CIEP has been endeavoring to foster. It could provide additional inputs, if any are needed, for our trade negotiators and would furnish information which should enable us to make a more meaningful attack on the problems in the service and investment sectors with which we plan to be increasingly concerned. Most important - since countries are still the building stones of international relations - by inventorying the real problems country by country we would have another tool to help direct our politically supported economic and commercial activities to priority tasks.

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